

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY WELLINGTON

UNCLAS STATE 029775

E.O. 11652: N/A

TAGS: PORG, SPC, NZ

SUBJECT: SOUTH PACIFIC COMMISSION (SPC) BUDGET

REF: WELLINGTON 286

1. FOLLOWING IS TEXT OF LETTER DATED DECEMBER 20, 1974,
FROM UNITED STATES REPRESENTATIVE ON SPC TO SPC SECRETARY
GENERAL: QUOTE:

DEAR MR. SECRETARY GENERAL:

I HAVE CONSULTED WITH THE STATE DEPARTMENT CONCERNING YOUR
IDENTICAL LETTER OF NOVEMBER 13 (WP.2/2-75 NO. 20).

THE BUDGETARY PROBLEMS FACED BY THE SOUTH PACIFIC
COMMISSION ARE OF COURSE NOT UNIQUE. INFLATION, FLUCTUA-
TING EXCHANGE RATES, AND GENERAL ECONOMIC MALAISE ARE
COMMON CONDITIONS ALL OVER THE WORLD, AND VIRTUALLY ALL
INTERNATIONAL ORGANIZATIONS ARE AFFECTED. NOR ARE
INTERNATIONAL ORGANIZATIONS ALONE IN FACING BUDGETARY
CONSTRAINTS; NATIONAL GOVERNMENTS OF BOTH DEVELOPED AND
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LESS-DEVELOPED COUNTRIES ARE FORCED TO VIEW THEIR SPENDING

IN A NEW SPIRIT OF AUSTERITY. I REPEAT THESE WELL-KNOWN
FACTS TO YOU ONLY TO EMPHASIZE HOW DIFFICULT IT IS FOR

THE UNITED STATES GOVERNMENT TO COMMIT ITSELF TO UNIM-
PAIRED OPERATION OF THE SOUTH PACIFIC COMMISSION AT A
TIME WHEN THE NATIONAL GOVERNMENT ITSELF IS IN THE PROCESS
OF REEXAMINING METHODS OF HOLDING THE LINE ON EXPENDI-
TURE, WHICH IN SOME CASES MAY RESULT IN A REDUCED LEVEL
OF OPERATIONS.

NEVERTHELESS, MY GOVERNMENT TAKES VERY SERIOUSLY THE
OBLIGATION TO SUPPORT, IN COOPERATION WITH THE OTHER
MEMBER GOVERNMENTS, THE ACTIVITIES OF THE SPC AT A
LEVEL WHICH HAS BEEN RECOMMENDED BY THE CONFERENCE.
FOR THAT REASON, I AM HOPEFUL THAT ADDITIONAL FUNDS
MIGHT BE MADE AVAILABLE FOR THE 1975 SPC BUDGET.
UNFORTUNATELY, IT IS NOT POSSIBLE AT THIS TIME TO
INDICATE WHAT THE LEVEL OF SUCH ADDITIONAL FUNDING MIGHT
BE. BASICALLY, I BELIEVE THAT THREE CONDITIONS MUST BE
MET BEFORE THE UNITED STATES GOVERNMENT COULD COMMIT
ITSELF TO ADDITIONAL FUNDING:

A. AN ACCOUNTING OF CARRY-OVER FUNDS AVAILABLE. IN
PAST YEARS, FUNDS AVAILABLE FOR REVOTE HAVE CONSISTENTLY
EXCEEDED THE AMOUNT ANTICIPATED. THE AMOUNT AVAILABLE
FOR 1975 SHOULD BE DEFINITELY ESTABLISHED.

B. EVIDENCE THAT MEASURES OF ECONOMY HAVE BEEN
APPLIED. IN THIS PERIOD OF GENERAL ECONOMIC DIFFICULTY,
THE UNITED STATES GOVERNMENT WOULD LIKE TO INSURE THAT
THE SAME MEASURES OF AUSTERITY AND PRUDENCE ARE BEING
APPLIED IN THE INTERNATIONAL ORGANIZATIONS TO WHICH
IT CONTRIBUTES AS ARE BEING APPLIED TO ITS OWN
OPERATIONS. I WOULD PARTICULARLY HOPE THAT YOU MIGHT
REEXAMINE EXPENDITURES RELATING TO IDENTIFYING ACTIVITIES
WHICH ARE UNNECESSARY OR ONLY marginally USEFUL IN
CARRYING OUT ESSENTIAL OPERATIONS. THE SELF-INSPECTION
CALLED FOR BY THE 14TH CONFERENCE SHOULD BE HELPFUL IN
THIS REGARD.

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C. AGREEMENT BY OTHER PARTICIPATING GOVERNMENTS. BY ACT
OF THE US CONGRESS, THE UNITED STATES CAN CONTRIBUTE NO
MORE THAN 20 PER CENT OF THE ASSESSED BUDGET. THE UNITED
STATES IS NOT IN A POSITION TO OFFER A VOLUNTARY
CONTRIBUTION. I AM INITIATING CORRESPONDENCE WITH THE
OTHER REPRESENTATIVES AT THIS TIME IN ORDER TO ASCERTAIN
THEIR VIEWS.

TO SUMMARIZE, I BELIEVE THAT IT MAY BE POSSIBLE FOR THE UNITED STATES TO JOIN OTHER MEMBER GOVERNMENTS IN RELIEVING, AT LEAST IN PART, THE SPC'S BUDGETARY DIFFICULTIES. AT THE SAME TIME, I WOULD HOPE THAT IT

WILL NOT BE NECESSARY TO SUPPLEMENT OUR CONTRIBUTIONS TO THE EXTENT INDICATED IN YOUR LETTER OF NOVEMBER 13. I REGRET THAT THE US GOVERNMENT CANNOT BE MORE DEFINITE ON THIS ISSUE PRIOR TO THE COMMENCEMENT OF YOUR NEW FISCAL YEAR. SINCERELY, STANLEY S. CARPENTER. END QUOTE.

2. FOLLOWING IS TEXT OF LETTER, ALSO DATED DECEMBER 20, FROM CARPENTER TO CHARLES CRAW, NEW ZEALAND REPRESENTATIVE ON SPC: QUOTE:

DEAR CHARLES:

YOU HAVE PROBABLY CONSIDERED BY NOW THE SECRETARY GENERAL'S LETTER OF NOVEMBER 13, CONCERNING THE ANTICIPATED SHORTFALL IN THE SPC BUDGET FOR 1975. I AM ENCLOSING A COPY OF MY RESPONSE TO THAT LETTER, WHICH SETS FORTH THE UNITED STATES POSITION ON THE MATTER.

I BELIEVE THAT THE STATE DEPARTMENT WILL BE ABLE TO FIND ADDITIONAL FUNDS IN ITS FY 1976 BUDGET TO HELP THE SPC THROUGH THIS DIFFICULTY. HOWEVER, IT IS MOST DIFFICULT AT THIS DISTANCE TO JUDGE WHAT IS REALLY NECESSARY IN THIS SUPPLEMENTARY BUDGET. PERHAPS YOU WILL SHARE MY OPINION THAT SOME ECONOMIES CAN BE MADE IN SPC OPERATIONS. I WOULD BE PARTICULARLY INTERESTED IN YOUR VIEWS, SINCE THE PRESENCE OF YOUR REPRESENTATIVE IN NOUMEA GIVES YOU A BETTER PERSPECTIVE ON THE ACTUAL UNCLASSIFIED

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NEEDS AND OPERATIONS OF THE SPC.

I AM SOLICITING THE SUGGESTIONS OF THE REPRESENTATIVES OF THE OTHER PARTICIPATING GOVERNMENTS, AND I TRUST THAT WE WILL BE IN FURTHER CORRESPONDENCE ON THIS MATTER. SINCERELY, STANLEY S. CARPENTER. END QUOTE.

3. LETTERS SIMILAR TO THAT QUOTED PARAGRAPH 2 SENT TO REPRESENTATIVES OF OTHER SPC MEMBER COUNTRIES. NO RESPONSES RECEIVED TO DATE. INGERSOLL

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